GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Energy, Infrastructure & Investment Department-Incorporation of a new corporation under the Companies Act, 2013 by name "A.P Towers Limited" for setting up smart telecommunication towers in the State of Andhra Pradesh – Approved – Orders – Issued.

ENERGY, INFRASTRUCTURE & INVESTMENT (PORTS.I) DEPARTMENT

G.O.Ms.No.22 **Dated: 13.06.2016**

Read :

Letter received from VC&MD, INCAP, Hyderabad No: INCAP/P/APTL/1/2016, dated: 21.01.2016.

O R D E R:

In the letter read above, the Vice Chairman & Managing Director, Infrastructure Corporation of Andhra Pradesh (INCAP) has submitted a proposal stating that there are a large number of Government offices and other public utility service areas such as electrical poles, substations and bus stands etc., spread across various Villages / Mandals in all 13 Districts of the State and the space on these buildings / areas is mostly un-utilized or under-utilized at present. There is potential to leverage the existing vacant space on the roof tops of the Government buildings, other public utility service areas for the purpose of setting up smart telecommunication towers.

2. The VC & MD, INCAP has further stated that there is an opportunity to develop tower infrastructure especially telecommunication services related towers in the State of A.P to deepen the reach of high speed qualitative telecom services including 3G/4G/Wi-Fi etc., especially in rural areas and also to develop smart cities. At present A.P.State Fiber Net Limited (APSFL) is executing works for setting up a State – wide, high speed optical fiber network infrastructure. The proposed tower infrastructure can be utilised in association with the optical fiber network infrastructure which can form a robust digital back bone in expanding the telecom and digital services/facilities across the State towards realising the vision of 'Digital AP'.

3. He has also stated that some private sector players have shown interest for setting up of cell towers in the State and that in order to materialize the project, there should be an institutional mechanism and framework to channelize the above interest towards tangible action for setting up the tower infrastructure.

4. At present there is no expertise or experience with the existing State Government agencies in general to take up the task of establishing / Operation & Maintenance (O&M) and business development related to telecom tower infrastructure. He has therefore proposed for setting up a new Corporation with the

name "AP Towers Limited" to develop tower infrastructure and carry on its business activity for speedy results in this area.

5. Some of the important objects of the Corporation as seen from the draft Memorandum of Association (MoA) are as follows:

i. To set up, promote, erect, takeover, manage, operate, lease out, take on lease tower infrastructure of all kinds in the State of Andhra Pradesh and also in other States.
ii. To promote telecommunication and other related infrastructure such as smart towers, mobile towers, electric towers etc., in the State of A.P
iii. To promote development of smart telecom infrastructure.
iv. To Promote/facilitate/develop/implement and manage integrated solutions in telecommunication and related fields through shared infrastructure etc.

6. The VC & MD, INCAP while submitting the proposal for incorporation of a new Corporation under the Companies Act 2013 has requested to accord approval for application to the Registrar of the Companies, initial Directors for the new Company, Authorized and paid up Capital, Share holders, permission to incur necessary expenditure etc.

7. The VC & MD has requested that pending incorporation of the new Corporation, INCAP may be authorized to take up the process for the selection of a professional consultancy agency to prepare Detailed Project Report and RFP etc., to avoid delay and to expedite the process of development of towers infrastructure in A.P.

8. Government after careful examination of the proposal, hereby issue the following orders:

I. The Managing Director, A.P. State Fiber Net Limited will take over the project instead of Vice Chairman & Managing Director, INCAP.

II. An application shall be filed before the Registrar of Companies for the reservation of name and for incorporating the Corporation.

"AP Towers Limited"

III. Under the provisions of section 149 (1)(a) of the Companies Act, 2013 a public company shall have a minimum number of three directors and the maximum number of directors can extend up to 15 directors. Accordingly, the following Officials shall be the Initial Directors and also there shall be a Managing Director for the Company.

Initial Board of Directors:

1. Principal Secretary to Govt., E, I&I Department
2. Spl. Secretary, IT E & C Dept.

3. Secretary (R&E), Finance Dept.
4. VC & MD, Infrastructure Corporation of A.P., Ltd.,
5. MD, AP State Fiber Net Limited.

Once the Corporation is functional, the Board of Directors can be expanded at a later stage.

IV. According to section 4(1)(e) of the Companies Act, 2013 the share capital with which the Company is to be registered is to be specified in the Memorandum of Association of the Company. Accordingly, the authorised and Paid up share capital of the new Corporation is approved at Rs.5 crores divided into 50,00,000 equity shares of Rs. 10/- each.

V. As the new Corporation proposed for incorporation is a public limited Company, under the provisions of section 3(1)(a) of the Companies Act, 2013, seven or more persons are required as shareholders to incorporate the corporation. Accordingly, the following persons are approved as shareholders of the new Corporation.

i. Governor of Andhra Pradesh Represented by Prl.Secretary to Government Energy, I&I Department.	…	49,99,994 shares
ii. Secretary (R&E), Finance Dept.	…	1 share
iii. Secretary, Industries & Commerce Dept.	…	1 share
iv. Spl. Secretary, IT, E & C Dept.	…	1 share
v. Vice Chairman & Managing Director, INCAP	...	1 share
vi. Managing Director, AP State Fiber Net Limited	...	1 share
vii. Vice Chairman & Managing Director, APIIC	…	1 share

In view of the restriction imposed by the proviso to Rule 13(4) of the Companies (Incorporation) Rules 2014, the representative of the Governor cannot hold further shares in his individual name. The Prl. Secretary to Government, Energy, I&I Department is authorised to sign the incorporation papers for the new Corporation on behalf of the Governor and also to represent him in all the meetings of the Corporation.

VI. For incorporation of a Corporation, the application shall be filed along with the Memorandum of Association (MoA) and Articles of Association (AoA) of the Corporation. The Managing Director, A.P. State Fiber Net Limited, is authorised to prepare the MoA and AoA according to the Companies Act, 2013.

VII. For the incorporation of a Corporation , registration fees as stipulated under Rule 12 of Companies (Registration offices & Fees) Rules 2014 is to be paid to the Ministry of Corporate Affairs and also incur incidentals such as stamp duty and professional fees etc. In view of this, sanction is hereby accorded to incur expenditure with regard to the incorporation of the A.P. Towers Limited from the funds of A.P. State Fiber Net Limited and permit the Managing Director, A.P. State Fiber Net Limited to take up the incorporation process.

VIII. It is proposed to have the registered office of the proposed Corporation initially at the address of Plot No. 5, 6, 15 & 16, 1st floor KKR Square, Kavuri Hills Phase-I, Jubilee Hills, Hyderabad-500 033.

IX. A.P. State Fiber Net Limited is authorized to take up the process for the selection of professional consultancy agencies to prepare Detailed Project Report (DPR) and Request for Proposal (RFP) etc., on development of towers infrastructure in A.P. Pending incorporation of the new Corporation , A.P SFL is authorized to take up the above process to avoid delay and to expedite the process of development of towers infrastructure in A.P.

9. The Managing Director, A.P. State Fiber Net Limited shall take necessary further action.

10. This order issues with the concurrence of Finance Department through their e-office file dated: 27.04.2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN, I.A.S.,
PRL.SECRETARY TO GOVERNMENT

To
1. The MD, A.P. State Fiber Net Limited,
Jubilee Hills, Hyderabad.
2. The VC & MD, INCAP,
A.C.Gaurds, Hyderabad.
3. The Director of Ports, AP, Kakinada.

Copy to
The Finance Department.
PS to Prl.Secy to Hon'ble CM.

// FORWARDED :: BY ORDER //

SECTION OFFICER